

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2466
Version: First engrossment

DATE: March 13, 2014

Authors: Selcer

Subject: Low-income electricity discount

Analyst: Bob Eleff

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

House File 2466 makes changes to the electric rate discount program for low-income customers that is operated by Xcel Energy.

The program is currently funded at a level sufficient to provide a 50 percent discount on the first 400 kWh consumed in a month to low-income customers (i.e., those who receive low-income home energy assistance program (LIHEAP) funds). The current discount is about \$15 per month during the summer and slightly less during the winter (when electricity prices are lower).

These revenues also support Xcel's Power-On program, which provides assistance to customers whose bills are delinquent. As electricity prices increase, more of these revenues are directed to the discount program, leaving less support for bill-paying assistance.

The bill addresses this problem by providing for base funding level of \$8 million and requiring that amount to increase at the same rate as residential electricity prices approved by the Public Utilities Commission. The discount is set at \$15 monthly for senior and disabled program participants, and Xcel officials believe this arrangement will provide additional funds for the Power-On program.